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MEMORANDUM

To: Council of Mayors Executive Committee

Date: June 20, 2008

From: CMAP Staff

Re: FFY 09-13 STP Marks

The attached draft marks table reflects the new City of Chicago/suburban distribution. The distribution formula that was agreed to provides 5% for regional priorities to the City, with the remaining 95% distributed at 45% to Chicago and 55% to the suburbs. Overall, the split is 52.25% suburbs and 47.75% City.

Beginning in FFY 2006, IDOT applied an obligation ceiling to the local STP allotments. The unobligated balance on the draft marks table includes the funding withheld by IDOT for the obligation ceiling. The obligation ceiling restricts the amount of federal assistance that may be promised (obligated) during a specified time period. This is a statutory budgetary control tool that does not affect the apportionment or allocation of funds. Rather, it controls the rate at which funds may be used. The obligation ceiling applied has ranged from 10% to 15%. A table is attached showing the obligation ceiling reductions for 2006 through 2008. The draft marks table shows the allotments and the unobligated balances at 100% (column C). To arrive at the FFY 09 mark, the unobligated balance (column C) and the FFY 09 allotment (column D) are added together and then the 90% obligation ceiling is imposed (column E).

The suburban unobligated balance has increased significantly from the unobligated balance reflected in the FFY 2008-2012 marks for two reasons: total allotments are used to arrive at the unobligated balance and although some Councils spent into their unobligated balance, others did not and therefore added to the unobligated balance of the region.

It is important that the Councils continue their efforts to spend down the unobligated balance because of the tremendous transportation needs in the region and the possibility of rescissions. SAFETEA-LU has a rescission written into the final year of

the program (FFY09) taking back any unobligated balances. The local fund sources are not protected. If we, as a region, do not spend all new money and balances we are at risk of losing the money.

If you have any comments or questions, please call or email Patricia Berry (312-386-8742,pberry@cmap.illinois.gov), George Johnson (312-386-8776,gjohnson@cmap.illinois.gov) or Holly Ostdick (312-386-8836, hostdick@cmap.illinois.gov).

Attachments: Draft FFY 2009-2013 marks table FFY 2006-2008 obligation reduction table